

Author: Núñez, et al. Analyst: Anne Mazur Bill Number: AB 8Related Bills: See prior analysis Telephone: 845-5404 Amended Date: August 20, 2007Attorney: Tommy Leung Sponsor: \_\_\_\_\_**SUBJECT:** California Cooperative Health Insurance Purchasing Program☐ ANALYSIS NOT REQUIRED of this bill – Not within scope of responsibility of this department.☐ TECHNICAL BILL – No program or fiscal changes to existing program.☒ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.☐ TECHNICAL AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.☐ MINOR AMENDMENT – Remainder of previous analysis of the bill as introduced/amended \_\_\_\_\_ still applies.☐ MINOR AMENDMENT – No change in approved position of \_\_\_\_\_. See Comments below☐ OTHER – See comments below.**COMMENTS:**

As amended August 20, 2007, this bill would do the following:

- Establish the California Health Care Reform and Cost Control Act.
- Create the California Cooperative Health Insurance Purchasing Program (Cal-CHIPP) to serve as a health care purchasing pool for employers and make other changes to health care-related provisions of several California Codes.
- Require employers to elect either to make health care expenditures of a specified amount or pay an equivalent amount to a specified fund (employer election).
- Require employers to set up a cafeteria plan under Internal Revenue Code (IRC) section 125 (125 mandate).

Board Position:

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Franchise Tax Board Staff

Date

Anne Mazur

8/30/07

Among numerous other revisions to health care-related provisions, the August 20, 2007, amendments moved both the employer election and 125 mandate language from the Labor Code and the Revenue and Taxation Code, respectively, into the Unemployment Insurance Code. The bill would require the Employment Development Department to administer and enforce the employer election and 125 mandate provisions. As such, this bill would not impact the department's programs or operations.

The department's analysis of this bill as amended July 18, 2007, no longer applies.

## **LEGISLATIVE STAFF CONTACT**

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